

Funding routes of terrorists

*136. SHRI SYED AZEEZ PASHA:

SHRI K.E. ISMAIL:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government are aware of the terrorists funding routes in the country through stock exchanges, banking channels, ordinary ATM withdrawals and hawala trails, as well as operation of legitimate business like hotels and transport;

(b) if so, the details thereof; and

(c) what steps are being taken by Government to check such terror fundings?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI SRIPRAKASH JAISWAL): (a) and (b) As per available reports, terrorists and terrorist organisations active in India are using different channels to fund their operations. They route their funds mainly through hawala and other informal means. Banking channels are also a significant route for movement of funds by such elements.

(c) The Unlawful Activities (Prevention) Act, 1967 as amended in September, 2004 has provisions to combat financing of terrorism. The Foreign Contribution (Regulation) Act, 1976, (FCRA), also regulates and monitors receipt and use of foreign funds by the recipients. The Foreign Exchange Management Act, (FEMA) has provisions to deal with the cases of unauthorized transfer of foreign exchange including through hawala. The Prevention of Money Laundering Act and the Financial Intelligence Unit (FIU-IND) have also come into effect. The security and law enforcement and Revenue agencies are sensitized from time to time to pursue an inter-agency approach to detect channels and use of funds received by terrorist groups.

At the international level, India is a member of Asia Pacific Group (APG) on Anti-Money Laundering and Combating of Financing of terrorism and has Observer status in the Financial Action Task Force (FATF).